



State of Nevada Department of Business & Industry

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State Offers Mortgage Relief Program **Combining HARP 2.0 and Principal Reduction**

Las Vegas – Nevada Governor Brian Sandoval and Director of Business & Industry Terry Johnson today announced that Nevada has been selected for a pilot-project mortgage relief program to assist Nevada homeowners who are “underwater” in their current mortgages. The program combines the federally-funded HARP 2.0’s expanded refinancing eligibility with Nevada’s Hardest Hit Fund principal reduction effort. The new program will help to reduce preventable foreclosures by targeting cases for principal reduction that make economic sense for both the homeowner and the lender.

This U.S. Treasury-approved pilot project allows eligible borrowers to receive up to \$50,000 in loan curtailment, also known as principal reduction, when they refinance through the HARP 2.0 loan refinance program. HARP 2.0’s removal of the loan-to-value cap for fixed-rate mortgages means that even underwater homeowners can be eligible for the federal refinance program. The curtailment, when combined with the refinance benefits of HARP 2.0 will further drive down monthly payments and increase loan sustainability for qualified underwater borrowers.

“I am pleased that the U.S. Treasury Department approved this innovative pilot project for Nevada and that Fannie Mae and Freddie Mac are encouraging their loan servicers to participate,” said Governor Sandoval. *“This joint effort of the Nevada Hardest Hit Fund and the loan servicers will be another valuable resource for helping Nevada’s housing industry recover.”*

“Principal reduction combined with mortgage refinancing will mean hundreds of dollars returning to the pockets of homeowners,” said Director Johnson. *“This effort represents our*

continued focus on combating the worst housing crisis seen in a generation and in the state hit hardest by it.”

To qualify for the new program, borrowers must first qualify with Nevada Hardest Hit Fund for the curtailment payment and receive a certificate of eligibility. Then, borrowers must apply and qualify for HARP 2.0 with a Freddie Mac- or Fannie Mae-approved bank servicing their current first mortgage. Eligibility criteria include:

- Owner-occupied, principal residence;
- A Fannie Mae or Freddie Mac mortgage originated prior to 5/31/2009;
- A homeowner's mortgage principal balance must be at least 115% of the value of their home;
- Unpaid principal balance cannot exceed \$729,750; and
- Family income cannot exceed 150% of Area Median Income (i.e., \$99,000 or less for a family of four in Clark County).

The program will initially run in Clark County, starting June 1. Homeowners who meet the program's criteria will receive information packets and applications in the mail from Nevada's Hardest Hit Fund program.

If the pilot project is successful, additional funds may be allocated, and the program may become a model for other states to follow.

For more information on homeowner assistance, visit HomeMeansNevada.gov.

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